

## FIGURES ON AMERICAN AND RUSSIAN FOREIGN AID

1. Since the end of the war American assistance to foreign nations has been characterized by three distinct phases: post-war relief to ravaged areas and special credits for reconstruction and rehabilitation; Marshall Plan aid from 1948 to 1951 to replace ad hoc aid on a country-by-country basis with aid on a regional basis; and Mutual Security aid since 1951 to strengthen free nations against the threat of Communism.

2. This aid has been extended through a wide variety of programs: Army civilian relief (Government Relief in Occupied Areas - GAROA), post-UNRRA relief, surplus property disposal, the British loan of 1946, Export-Import Bank loans, inter-American aid, Philippine rehabilitation, Chinese aid, Greek-Turkish (Truman Doctrine) aid, interim aid, European recovery (Marshall Plan), International Civil Emergency Fund, Korean aid, Mutual Security aid (under the Mutual Security Administration, Foreign Operations Administration and International Cooperation Administration), technical assistance (Point Four), and agricultural aid under Public Law 480 (disposal of surplus farm products). Additional assistance has been given through such international organizations as the International Monetary Fund, the International Bank for Reconstruction and Development, and various other United Nations agencies.

3. The United States has extended aid both for specific and general purposes: prevention of post-war starvation, reconstruction of war ravages, stabilization of currencies, rebuilding of Europe's shattered economy, resistance to Communist rebellion or pressures (e.g., Greece and Turkey), strengthening of military forces and economies of free nations as a bulwark against Communist aggression, economic development of backward countries, etc. The aid has been varied in form: outright grants, credits, supply of military equipment, needed capital goods and food-stuffs, off-shore procurement, purchase of materials for American stockpiles, and technical assistance.

4. All aid programs have been characterized by four general purposes:

- a. No aid has any chance for lasting success unless its purpose is one which the recipient countries can wholeheartedly share; to strengthen them so that each will be genuinely independent.

- b. Economic development is long-range in character, although special conditions may at times require short-range, relief-type assistance.
- c. Each country must accept the responsibility for planning and administering its own development program, even though help may be needed in that planning and administration.
- d. There must be recognition by the recipient of the supervisory right of the donor, that is, of its right to exercise judgment in selecting projects it is willing to finance and to insure that projects are executed in accordance with agreements.

5. Total US foreign aid from the end of the war through 31 March 1957 amounted to \$58.653 billion. Of this, \$47.809 billion was given in the form of grants and \$10.843 billion in credits. With respect to purposes for which granted, \$19.172 billion was for military aid (all grants) and \$39.480 billion for non-military aid, that is, economic, financial, relief, etc.

6. The following shows the distribution by area and type (in billions of dollars):

	<u>Military</u>	<u>Economic Grants</u>	<u>Economic Grants</u>	<u>Total</u>
Western Europe	\$11.626	\$16.379	\$8.216	\$36.221
Eastern Europe		.803	.292	1.095
Near East Africa	2.499	2.363	.651	5.514
Asia/Pacific	4.537	7.627	.901	13.064
American Republics	.317	.426	.733	1.477
International Organizations & Unspecified	.193	1.039	.056	1.288

7. Distribution by country has been as follows (in millions of dollars):

<u>Area</u>	<u>Country</u>	<u>Grants</u>	<u>Credits</u>
Western Europe	Austria	1,010	8
	Belgium-Luxembourg	581	139
	Denmark	234	48
	Finland	4	67
	France	3,833	1,678
	Germany	2,741	1,153
	Iceland	28	5
	Ireland	17	128
	Italy (plus Trieste)	2,569	253
	Netherlands	792	225
	Norway	210	85
	Portugal	19	51
	Spain	92	95
	Sweden	87	20
	United Kingdom	2,729	4,116
	Yugoslavia	748	47
	Other	684	100
Eastern Europe	Czechoslovakia	186	5
	Eastern Germany	17	
	Poland	365	53
	USSR	204	222
	Other	31	12

<u>Area</u>	<u>Country</u>	<u>Grants</u>	<u>Credits</u>
Near East/Africa	Egypt	66	4
	Greece	1,268	91
	Iran	204	79
	Israel	257	150
	Jordan	32	
	Liberia	8	21
	Rhodesia and Nyasaland		56
	Turkey	346	129
	South Africa		125
	Other	232	
Asia	Afghanistan	14	37
	India	227	252
	Pakistan	250	28
	Burma	21	2
	China-Formosa	1,240	136
	Laos, Cambodia, Vietnam	760	25
	Indonesia	120	138
	Japan	2,442	165
	Korea	1,658	21
	Philippines	775	73
	Thailand	79	9
	Other	41	16

<u>Area</u>	<u>Country</u>	<u>Grants</u>	<u>Credits</u>
Americas	Argentina		71
	Bolivia	66	34
	Brazil	31	421
	Chile	13	51
	Ecuador	11	23
	Guatemala	45	2
	Haiti	19	19
	Mexico	107	104
	Peru	25	45
	Other	109	
Internal Organiza- tions & Unspecified		1,039	56

Figures shown above and in paragraph 6 are net, that is, goods and services provided to the United States on a non-reimbursable basis have been deducted from grant totals, and payments of principal have been deducted from credit totals.

8. Soviet Bloc aid to the non-Communist world started only in 1953, and from that time through the latter part of 1956 totalled \$1.492 billion. Of this sum, \$1.456 billion was provided as credits. The \$36 million given as grants consisted of \$22 million to Cambodia and \$13 million to Nepal by Communist China, and \$1 million plus in small grants by the USSR. The principal lender was the USSR (\$807 million). Development projects also were financed jointly by the USSR and Czechoslovakia (\$275 million) and by the USSR and East Germany (\$175 million). Independent loans were made by Czechoslovakia (\$174 million) and by East Germany (\$15 million).

9. Recipients of Communist financial aid were Yugoslavia (\$444 million), India (\$368 million), Afghanistan (\$139 million), Indonesia (\$111 million), Syria (\$60 million), Egypt (\$250 million), and Argentina (\$45 million). The remainder of about

\$35 million went to various countries. Loans have generally been for financing development projects, purchase of capital equipment, its installation, technical assistance and training of labor. But from \$300 million to \$400 million--about one-fourth of total credits--have been spent by Egypt, Syria and Afghanistan for arms.

10. The figures given in paragraphs 3 and 4 do not take into account the recently announced Syrian-Soviet economic agreement under which Syria reportedly is to receive developmental credits in excess of \$200 million, nor a new \$125 million loan to India for which an agreement was signed on 9 November 1957.